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WASHINGTON, DC – The United States and Korea today signed an historic free trade agreement that will expand bilateral trade and investment ties and create new economic opportunities for people in both countries.

“This day is a milestone in the enduring economic and security alliance between the United States and Korea. Today we look ahead to building on a half century of friendship and cooperation to promote the greater prosperity of the people of both our nations,” said U.S. Trade Representative Susan C. Schwab. “The United States-Korea Free Trade Agreement is the most commercially significant free trade agreement the United States has concluded in nearly 20 years. I look forward to continuing to work with Members of Congress of both parties on the approval of this important agreement.”

Ambassador Schwab signed the KORUS -FTA on behalf of the United States. Trade Minister Kim Hyun-chong signed on behalf of Korea in a ceremony held in Cannon House Office Building on Capitol Hill and witnessed by over 150 guests, including U.S. Commerce Secretary Carlos Gutierrez, and other government officials, and representatives from the manufacturing, agriculture and service sectors.

The KORUS FTA was concluded on April 1, 2007, after eight formal rounds of negotiations that took place over ten months. It will build on an already robust bilateral trade and investment relationship between the United States and Korea. Korea is the world’s tenth largest economy, with a GDP of nearly \$1 trillion. Korea is the United States’ seventh largest goods trading partner, with two-way goods trade in 2006 valued at approximately \$78 billion. When implemented, the KORUS FTA will expand trade and investment flows between the two countries.

In agriculture, the KORUS FTA will create highly valuable new export opportunities for American farmers and ranchers by eliminating and phasing out tariffs and quotas on a broad range of products. Under the agreement, roughly \$1.91 billion, or 64 percent, of Korea’s agriculture imports from the United States will be immediately duty-free. Most remaining tariffs and quotas will be phased out over the first ten years the agreement is in force.

In industrial goods, nearly 95% of bilateral trade in consumer and industrial products will be duty-free within three years of entry into force of the Agreement, with virtually all remaining tariffs eliminated within 10 years.

Specifically with regard to automobiles, the KORUS FTA marks an unprecedented step in eliminating the tariffs and non-tariff barriers that U.S. auto makers have identified as the impediments to their success in Korea’s large market.

Like all FTAs the United States seeks, the KORUS FTA will ensure that U.S. investors in Korea will have the same rights and enjoy equal footing with Korean investors. These rights will be backed by a stable, transparent legal framework.

Given the modern, developed nature of Korea's economy, the agreement has strong provisions that will expand market access and investment opportunities in a number of service sectors, including telecommunications and e-commerce. The agreement will also expand market opportunities for U.S. audio-visual products. It also provides high standards for protection and enforcement of intellectual property rights, including trademarks, copyrights and patents, consistent with U.S. standards.

The agreement incorporates provisions of the bipartisan trade agreement reached with Congress on May 10, and will safeguard workers' right and environmental protections, consistent with internationally recognized standards and principles, and ensure access to legal mechanisms.

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